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RICHARD N. TAKECHI  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

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**DECLARATION  
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS  
OF AUTUMN GROVE, A SUBDIVISION  
IN DOUGLAS COUNTY, NEBRASKA**

THIS DECLARATION, made on the date hereinafter set forth, is made by HEARTHSTONE HOMES, INC., a Nebraska corporation, hereinafter referred to as the "Declarant."

**PRELIMINARY STATEMENT**

The Declarant is the owner of certain real property located within Douglas County, Nebraska and described as follows:

Lots 1 through 199, inclusive, in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska;

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot."

The Declarant desires to provide for the preservation of the values and amenities of Autumn Grove, for the maintenance of the character and residential integrity of Autumn Grove, and for the acquisition, construction and maintenance of Common Area and Common Area Improvements for the use and enjoyment of the residents of Autumn Grove (hereinafter the "subdivision").

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots now and hereafter encumbered by this Declaration shall be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part thereof, as more fully described herein. The Lots, and each Lot are and shall be subject to all and each of the following conditions and other terms.

HEARTHSTONE HOMES  
8425 MADISON STREET  
OMAHA, NE 68127 EXHIBIT A

ATTN: JIM ECKER

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**ARTICLE I.  
RESTRICTIONS AND COVENANTS**

1. Each Lot shall be used exclusively for single-family residential purposes, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Area, or as a church, school, park, or for other nonprofit use.

2. No single-family residence shall be created, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling which does not exceed two and one-half stories in height, as measured from the highest adjacent public sidewalk grade elevation. All structures on all Lots shall be painted in earth tone colors.

3. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a lot as "For Sale" or "For Rent." No business activities of any kind whatsoever, except those home occupation businesses allowed by virtue of city ordinance, shall be conducted on any lot; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. Provided, however, this Paragraph shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots or any other property owned by the Declarant, its agents or assigns.

4. No exterior television, broadcasting or radio antenna of any sort shall be permitted on any Lot, except, those 18" or less in diameter or diagonal measurement, which shall be screened from public view. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

5. No repair of any boats, automobiles, motorcycles, trucks, campers or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot (other than in an enclosed structure); nor shall vehicles or parts of vehicles, unlicensed or otherwise offensive to the neighborhood, be visibly stored, parked or abandoned on any Lot. Any and all cars parked within the subdivision must be in running condition with all tires inflated. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

6. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than seven (7) days within a calendar year. No motor vehicle may be parked or stored outside on any Lot, except vehicles driven on a regular basis by the occupants of the dwelling located on such Lot or their guests. No grading or excavating equipment,

tractors or semi-tractors/trailers shall be stored, parked, kept or maintained in any yards, driveways or streets. However, this section shall not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Omaha, Nebraska.

7. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted unless completely screened from view, except for pickup purposes. No garden, lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards.

8. No fence shall be permitted to extend beyond the front line of a main residential structure. No chain link fencing shall be permitted on any Lot. No hedges or mass planted shrubs shall be permitted more than the (10) feet in front of the front building line. If a fence is constructed on any Lot by the developer or by the owner, the owner of any such Lot shall, at his sole expense, maintain and keep such fence in good order, including the removal of graffiti and the prevention of posting of signs, banners or any other thing on said fence, and repair and replace the same with the same style and equal quality fence when and if reasonably necessary.

9. No swimming pool may extend more than one foot above ground level.

10. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot.

11. A public sidewalk shall be constructed of Portland concrete four (4) feet wide by three and one-half (3 1/2") inches thick in front of each Lot and upon each street side of each corner Lot. The sidewalk shall be placed four (4) feet back of the street curb line and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof; provided, however, this provision shall vary to comply with any requirements of the City of Omaha. It is understood, however, that from time to time because of weather or material shortages the Owner may be allowed to move in prior to sidewalk construction, but only after an escrow has been established to assure such construction when weather and material availability permits.

12. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

13. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes.

14. No stable or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one dog house constructed for one (1) dog. Dog houses shall only be allowed at the rear of the residence, screened from public view. No dog runs or kennels of any kind shall be allowed on any Lot, including similar areas for pot-bellied pigs.

15. No grass, weeds or other vegetation will be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees will be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, including grass clippings, and no vegetation on vacant Lots shall be allowed to reach a height in excess of that allowed by ordinance and regulations of the City of Omaha.

16. No residence shall be constructed on a Lot unless the entire Lot, as originally platted, is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat. The applicable zoning ordinances of the public agency having zoning authority shall determine minimum area of building plot and minimum front, side and rear setbacks.

17. Notwithstanding any provision in this Declaration, Declarant, its agents, successors and assigns, shall be allowed to operate and maintain model homes, sales office trailers and construction trailers within the subdivision. This right does not expire with the sale of the last buildable lot in the subdivision.

18. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding or shack shall be erected upon or used on any Lot at any time, either temporarily or permanently. No structure or dwelling shall be moved from outside the subdivision to any Lot without the written approval of Declarant.

19. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood.

20. All permanent utility service lines from each Lot line to a dwelling or other improvement shall be underground.

21. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations, and designs as it may determine appropriate in its sole and absolute discretion.

22. Nothing herein contained shall in any way be construed to impose any obligation, of any kind, upon the Developer and/or Declarant or any successor and assigns of the same, any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein.

**ARTICLE II**  
**HOMEOWNERS' ASSOCIATION**

1. **Definitions.**

(A) "Association" shall mean and refer to the Autumn Grove Homeowners Association, Inc., a Nebraska nonprofit corporation, its successors and assigns. The Association includes all lots being marketed in the "StoneBridge" neighborhood.

(B) "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot that is a part of the Properties, but excluding those having such interest merely as a security for the performance of an obligation or as an encumbrance upon the interest of the beneficial owner.

(C) "Properties" shall mean and refer to: Lots 1 through 199, inclusive, all in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska.

(D) "Lot" shall mean and refer to any platted Lot shown upon any recorded subdivision map of the Properties, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Area, or as a church, school, park, or for other nonprofit use.

(E) "Declarant" shall mean and refer to all persons and entities signing this instrument, their successors and assigns.

(F) "Common Area" shall mean and refer to any land owned by the Association or controlled by an easement in favor of the Association or required as a contractual obligation of the Declarant or the Association, such as Common Area Improvements located within public rights-of-ways.

(G) "Common Area Improvements" shall mean and refer only to signs, landscaping, lighting, and sprinkler systems, which may be located from time to time on the Common Area, including those improvements within public rights-of-way.

(H) "Common Area Expenses" means expenditures made on an annual basis by or financial liabilities of the Association, together with any allocations to reserves.

2. General Information. The Association shall be required to maintain the Common Area and the Common Area Improvements in good condition and repair and shall exercise those powers, duties and responsibilities as more particularly set forth in this Declaration, the Articles of Incorporation and the By-Laws of the Association. The fiscal year of the Association shall be the calendar year. The Office of the Association shall be located at such location as the Board of Directors shall designate from time to time.

(a) Autumn Grove will be developed in phases consisting of separate residential lots (referred to as the "Lots"). Additional residential property may be annexed to the Properties by the Declarant or with the consent of two-thirds (2/3) of the votes entitled to be cast. All Lot Owners, by virtue of their ownership of a Lot, are automatically mandatory Members of the Association and shall be entitled to vote on all matters upon which Members of the Association are entitled to vote, pursuant to the Declaration and in accordance with the By-Laws. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

(b) The initial Board of Directors of the Association and all officers of the Association shall be appointed by the Declarant and thereafter be elected as provided for in the By-Laws.

3. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants; and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges as hereinafter provided, as such assessments to be established and collected as hereinafter provided. The annual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Any obligation of the Declarant to pay any assessments for any Lot owned by Declarant shall not become due until the date of closing of such Lot, at which time the Declarant shall pay all prior years' assessments and the current years' assessment shall be prorated between the parties.

4. Membership. The membership of the Association shall consist of all Owners of the designated Lots within Autumn Grove. Membership in the Association shall be mandatory and no Owner during his ownership of a Lot shall have the right to relinquish or terminate his membership in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

5. Succession. The membership of each owner shall terminate when they cease to be an Owner of a Lot, and their membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

6. Voting. The Association shall have two classes of voting members, Class A Members and Class B Members, defined as follows:

**Class A:** Class A Members shall be the Owners of all Lots other than Lots owned by Declarant or Lots that are subject to a mortgage or deed of trust in favor of Declarant. Each Class A Member shall be entitled to one vote for each Lot Owned. When there shall be more than one person or entity holding an interest in any Lot, all such persons or entities or both, shall be Members; provided however that the vote for such Lot shall be exercised as such persons or entities or both, shall determine, but in no event shall more than one vote be cast with respect to any one Lot.

**Class B:** Class B Members shall be the Owners of all Lots owned by Declarant or Lots that are subject to a mortgage or deed of trust in favor of Declarant. Each Class B Member shall be entitled to twenty votes for each Lot owned. Each Class B Member shall be entitled to one vote for each Lot owned upon the occurrence of the first of the following dates:

(a) The date on which the total votes outstanding in the Class A membership shall equal the total votes outstanding in the Class B membership, or

(b) January 1, 2010.

Except for the Declarant, no Owner shall be eligible to vote, either in person or by proxy, if that Owner is shown in the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. As set forth in section 3, above, the Declarant, for each lot owned, shall not become obligated to pay any annual assessments for said Lot unless and until the closing of said Lot occurs, at which time Declarant shall pay its pro rata share of said assessments.

7. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray annual Common Area Expenses and administrative expenses of the Association.

8. Assessments.

(a) All Owners shall be obligated to pay the assessments imposed by the Board of Directors of the Association to meet the Common Area Expenses of the Association. The Common Area Expenses of the Association shall be equally assessed among all of the Lot Owners. Except for Lots owned by the Declarant, as provided in paragraph 3 of this article, annual Assessments for the estimated Common Area Expenses of the Association shall be due in advance of the first day of January of each year. The method of assessment described herein may not be amended without the written approval of the Declarant, so long as there is a Class B Membership or thereafter, the owners of two-thirds (2/3) of the votes entitled to be cast.

(b) Each Lot Owner's personal obligation of payment of assessments shall be due on the first day of the month in which the closing of the purchase of said Lot occurs.

(c) Assessments shall be based upon the cash requirements deemed to be such aggregate sum the Board of Directors of the Association shall from time to time determine is to be



paid by all of the Lot Owners to provide for the payment of all estimated expenses growing out of or connected with the acquisition, construction, maintenance, repair, operation, alterations and improvements of and to the Common Area and the Common Area Improvements and for the creation of a reasonable contingency and reserve for the same.

(d) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or release of the owner's personal obligation to pay the same.

(e) Within thirty (30) days after adoption of any proposed Budget for the Association, the Board of Directors shall provide a summary of the Budget to all the Lot Owners, and shall set a date for a meeting of the Lot Owners to consider ratification of the Budget that date shall not be less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all the votes entitled to be cast, or any larger vote specified in the Declaration, reject the Budget, the Budget is ratified, whether or not a quorum is present. In the event the proposed Budget is rejected, the periodic Budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors.

9. Association Lien for Non-Payment of Common Area Expenses

(a) Except for the Declarant as provided in paragraph 3 of this Article, all sums assessed by the Association but unpaid for the share of Common Area Expenses chargeable to any Lot shall constitute a lien on such Lot superior to all other liens and encumbrances, except only for tax and special assessment liens of the Lot in favor of any assessing entity, and all sums unpaid on any Mortgage filed of record prior to the filing of the Declaration, including all unpaid obligatory sums as may be provided by such encumbrances. In the event of default in the payment of the assessment, the owner shall be obligated to pay interest at the maximum rate of interest allowable by law, on the amount of the assessment from due date thereof, together with all expenses, including attorney's fees incurred together with such late charges as provided by the By-Laws of the Association. To evidence such lien, the Board of Directors shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest, late charges and expenses, including attorney's fees thereon, the name of the owner of the Lot and a description of the Lot. Such notice of lien shall be signed by one of the members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Douglas County, Nebraska. Such lien shall attach and be effective from the due date of the assessment until all sums with interest and other charges thereon, shall have been fully paid.

(b) Such lien may be enforced by the foreclosure on the defaulting owner's Lots by the Association in the manner of a deed of trust or mortgage on real property upon the recording of a notice to claim thereof or by an action at law against the Owner personally obligated to pay the same. In any such proceedings, the Owner shall be required to pay the costs, expenses and attorney's fees incurred, and in the event of foreclosure, all additional costs, all expenses and reasonable attorney's fees incurred. The Owner of the Lot being foreclosed or subject to litigation shall be required to pay the Association the monthly assessment for the Lot during the period of foreclosure or litigation, and the Association shall be entitled to a receiver during foreclosure. The Association



shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey and otherwise deal with the same.

(c) Any Mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Common Area Expenses payable with respect to such Lot, and upon such payment, such encumbrancer shall have a lien on such Lot for the amount paid of the same rank as the lien of this mortgage or encumbrance without the necessity of having to record a notice of claim of such lien. Upon request of a Mortgagee, the Association shall report to the Mortgagee of a Lot any unpaid assessments remaining unpaid for longer than thirty (30) days after the same is due; provided, however, that a Mortgagee shall have furnished to the Association notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien signed by one of the Members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Douglas County, Nebraska.

(e) Notwithstanding any of the foregoing provisions, any Mortgagee who obtains a title to a Lot pursuant to the remedies set forth in its mortgage or deed of trust shall take title to the Lot free and clear of all annual assessments levied thereon prior to such transfer of title and free and clear of all liens created as a result of such assessments.

10. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 12, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. Sixty and no/100 (\$60.00) per Lot.

B. In each calendar year beginning on January 1, 2002, one hundred twenty-five percent (125%) of the aggregate dues charged in the previous calendar year.

11. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Area or Common Area Improvement, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in an amount to Two Hundred and NO/100ths Dollars (\$200.00) per Lot.

12. Excess Dues and Assessments. With the approval of seventy-five (75%) percent of the votes entitled to be cast by the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

**ARTICLE III.  
EASEMENTS**

1. A perpetual license and easement are hereby reserved in favor of and granted to Omaha Public Power District, US West Communications, and any company which has been granted a franchise to provide a cable television system in the area subdivided, Metropolitan Utilities District, and Sanitary and Improvement District No. 431 of Douglas County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground sewers, water and gas mains and cables, lines or conduits and other electric and telephone utility facilities for the carrying and transmission of electric current for light, heat and power and for all telephone and telegraph and message service and for the transmission of signals and sounds of all kinds including signals provided by a cable television system and the reception on, over, through, under and across a five (5) foot wide strip of land abutting the front and the side boundary lines of the Lots; and eight (8) foot wide strip of land abutting the rear boundary lines of all interior Lots and all exterior lots that are adjacent to presently platted and recorded Lots; and a sixteen (16) foot wide strip of land abutting the rear boundary lines of all exterior Lots that are not adjacent to presently platted and recorded Lots. The term exterior Lots is herein defined as those Lots forming the outer perimeter of the Lots. The sixteen (16) foot wide easement will be reduced to an eight (8) foot wide strip, when such adjacent land is surveyed, platted and recorded. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easement ways but same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

2. A perpetual easement is further reserved for the Metropolitan Utilities District, their successors and assigns to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes, hydrants and other related facilities and to extend therein pipes for the transmission of gas and water on, through, under and across a five (5) foot wide strip of land abutting all cul-de-sac streets; this license being granted for the use and benefit of all present and future owners of these Lots; provided, however, that such licenses and easements are granted upon the specific conditions that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of date hereof, or if any such facilities are constructed but are thereafter removed without replacement within sixty (60) days after their removal, then such easement shall automatically terminate and become void as to such unused or abandoned easement ways. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easement ways but same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

3. U.S. West Communications, Inc. and/or any other telecommunications company may, upon completion of its distribution system, require a connection charge on some or all of the Lots at the time service is requested.

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EXHIBIT A  
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4. Other easements are provided for in the final plat of Autumn Grove which is filed in the Register of Deeds of Douglas County, Nebraska and other easements provided for in further platting(s).

**ARTICLE IV.**  
**GENERAL PROVISIONS**

1. Except for the authority and powers specifically granted to the Declarant, the Declarant or any owner of a Lot named herein shall have the right to enforce by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this declaration to either prevent or restrain any violation or to recover damages or other dues of such violation. Nothing herein contained shall in any way be construed to impose any obligation, of any kind, upon the Developer and/or Declarant or any successor and assigns of the same, any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein. Failure by the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

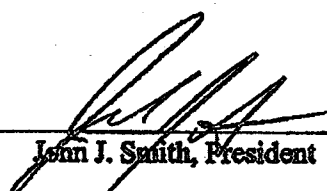
2. The covenants and restrictions of this declaration shall run with and bind the land for a period of forty (40) years from the date hereof, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by Declarant, or any person, firm corporation, partnership, or entity designated in writing by Declarant, in any manner which it may determine in its full and absolute discretion for a period of ten (10) years from the date hereof. Thereafter this Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots covered by this Declaration.

3. Invalidation of any covenant by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused these present to be executed this 12th day of MARCH 1999.

DECLARANT:

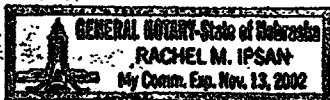
HEARTHSTONE HOMES, INC., a  
Nebraska corporation,

By:   
Lynn J. Smith, President

STATE OF NEBRASKA )  
 )ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 18 day of March 1999 by John J. Smith, President of HearthStone Homes, Inc., a Nebraska corporation, known to me to be the identical person who executed the above instrument and acknowledged the same to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and Notarial Seal this 18 day of March 1999.



*Rachel M. Ipsan*  
Notary Public



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By

RICHARD N TAKECHI  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

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**AMENDMENT TO DECLARATION  
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS  
OF AUTUMN GROVE, A SUBDIVISION  
IN DOUGLAS COUNTY, NEBRASKA**

THIS AMENDMENT, made on the date hereinafter set forth, is made by HEARTHSTONE HOMES, INC., a Nebraska corporation, hereinafter referred to as the "Declarant."

**RECITALS:**

A. On March 25, 1999, HearthStone Homes, Inc., a Nebraska corporation, as Declarant, filed a Declaration of Covenants, Conditions, Restrictions and Easements of Autumn Grove, a Subdivision in Douglas County, Nebraska (hereinafter the "Declaration") in the office of the Register of Deeds of Douglas County, Nebraska at Book 1286 Page 625 of the Miscellaneous Records, a true and correct copy of which Declaration is attached hereto as Exhibit "A," against the following described real property:

Lots 1 - 199, inclusive, all in Autumn Grove a subdivision as surveyed, platted and recorded in Douglas County, Nebraska.

B. Article IV. Paragraph 2. of the Declaration provides that for a period of ten (10) years following March 18, 1999, the Declaration may be amended by the Declarant.

C. Declarant wishes to amend the Declaration in order to annex additional real property to the Declaration as provided by the Declaration and to clarify the legal description of lots 50 - 59, inclusive, 85 - 93, inclusive, and Lot 96, all in Autumn Grove, which, subsequent to the recording of the Declaration, were replatted into lots within Autumn Grove Replat One.

**WITNESSETH:**

NOW, THEREFORE, Declarant hereby declares that the Declaration recorded on March 25, 1999 at Book 1286 Page 625 in the Miscellaneous Records of the office of the Register of Deeds of Douglas County, Nebraska should be and hereby is amended by deleting therefrom the legal description on page one of the Declaration which reads as follows: "Lots 1 through 199, inclusive,

**HEARTHSTONE HOMES**  
ATTN: JIM ECKER  
**8425 MADISON STREET**  
**OMAHA, NE 68127**

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FEE 1169<sup>50</sup> FB 11-01338  
BKP C/O COMP  
DEL SCAN FV

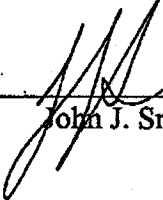
in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska," and inserting in its place and stead the following:

Lots 1 through 49, inclusive, Lots 60 - 84, inclusive, Lots 94 - 95, Lots 97 - 199, inclusive, Lots 205 - 229, inclusive, Lots 252 - 255, inclusive, Lots 267 - 289, inclusive, and Lots 302 - 348, inclusive, all in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska; and Lots 1 - 65, inclusive, all in Autumn Grove Replat One (formerly legally described as Lots 50 - 59, inclusive, Lots 85 - 93, inclusive, Lot 96, Lots 230 - 251, inclusive, Lots 256 - 266, inclusive, and Lots 290 - 301, inclusive, Autumn Grove).

All other statements in the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused these present to be executed this 30th day of December 1999.

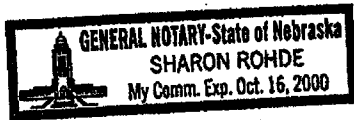
HEARTHSTONE HOMES, INC., a  
Nebraska corporation, Declarant,

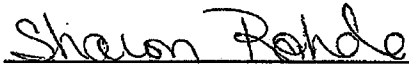
By:   
John J. Smith, President

STATE OF NEBRASKA    )  
                                  )ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this 30 day of December 1999 by John J. Smith, President of HearthStone Homes, Inc., a Nebraska corporation, known to me to be the identical person who executed the above instrument and acknowledged the same to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and Notarial Seal this 30 day of December 1999.



  
Notary Public

1286 625 MISC

04484 99 625-636

Nebr Doc  
Stamp Tax

Date

\$

By

RECEIVED

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RICHARD N. TAKECHI  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

[This Space Above is for Recording Data]

**DECLARATION  
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS  
OF AUTUMN GROVE, A SUBDIVISION  
IN DOUGLAS COUNTY, NEBRASKA**

THIS DECLARATION, made on the date hereinafter set forth, is made by HEARTHSTONE HOMES, INC., a Nebraska corporation, hereinafter referred to as the "Declarant."

**PRELIMINARY STATEMENT**

The Declarant is the owner of certain real property located within Douglas County, Nebraska and described as follows:

Lots 1 through 199, inclusive, in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska;

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot."

The Declarant desires to provide for the preservation of the values and amenities of Autumn Grove, for the maintenance of the character and residential integrity of Autumn Grove, and for the acquisition, construction and maintenance of Common Area and Common Area Improvements for the use and enjoyment of the residents of Autumn Grove (hereinafter the "subdivision").

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots now and hereafter encumbered by this Declaration shall be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part thereof, as more fully described herein. The Lots, and each Lot are and shall be subject to all and each of the following conditions and other terms.

HEARTHSTONE HOMES  
8425 MADISON STREET  
OMAHA, NE 68127 EXHIBIT A

ATTN: JIM ECKER

Page 1 of 12

4484 MI-01338  
FEE 159.50 FB \_\_\_\_\_  
TWP COMP CO \_\_\_\_\_ COMP CP  
DEL \_\_\_\_\_ SCAN OK PV \_\_\_\_\_



**ARTICLE I.  
RESTRICTIONS AND COVENANTS**

1. Each Lot shall be used exclusively for single-family residential purposes, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Area, or as a church, school, park, or for other nonprofit use.

2. No single-family residence shall be created, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling which does not exceed two and one-half stories in height, as measured from the highest adjacent public sidewalk grade elevation. All structures on all Lots shall be painted in earth tone colors.

3. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a lot as "For Sale" or "For Rent." No business activities of any kind whatsoever, except those home occupation businesses allowed by virtue of city ordinance, shall be conducted on any lot; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. Provided, however, this Paragraph shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots or any other property owned by the Declarant, its agents or assigns.

4. No exterior television, broadcasting or radio antenna of any sort shall be permitted on any Lot, except, those 18" or less in diameter or diagonal measurement, which shall be screened from public view. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

5. No repair of any boats, automobiles, motorcycles, trucks, campers or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot (other than in an enclosed structure); nor shall vehicles or parts of vehicles, unlicensed or otherwise offensive to the neighborhood, be visibly stored, parked or abandoned on any Lot. Any and all cars parked within the subdivision must be in running condition with all tires inflated. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

6. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than seven (7) days within a calendar year. No motor vehicle may be parked or stored outside on any Lot, except vehicles driven on a regular basis by the occupants of the dwelling located on such Lot or their guests. No grading or excavating equipment,

tractors or semi-tractors/trailers shall be stored, parked, kept or maintained in any yards, driveways or streets. However, this section shall not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Omaha, Nebraska.

7. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted unless completely screened from view, except for pickup purposes. No garden, lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards.

8. No fence shall be permitted to extend beyond the front line of a main residential structure. No chain link fencing shall be permitted on any Lot. No hedges or mass planted shrubs shall be permitted more than the (10) feet in front of the front building line. If a fence is constructed on any Lot by the developer or by the owner, the owner of any such Lot shall, at his sole expense, maintain and keep such fence in good order, including the removal of graffiti and the prevention of posting of signs, banners or any other thing on said fence, and repair and replace the same with the same style and equal quality fence when and if reasonably necessary.

9. No swimming pool may extend more than one foot above ground level.

10. Construction of any improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot.

11. A public sidewalk shall be constructed of Portland concrete four (4) feet wide by three and one-half (3 1/2") inches thick in front of each Lot and upon each street side of each corner Lot. The sidewalk shall be placed four (4) feet back of the street curb line and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof; provided, however, this provision shall vary to comply with any requirements of the City of Omaha. It is understood, however, that from time to time because of weather or material shortages the Owner may be allowed to move in prior to sidewalk construction, but only after an escrow has been established to assure such construction when weather and material availability permits.

12. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

13. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes.

14. No stable or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one dog house constructed for one (1) dog. Dog houses shall only be allowed at the rear of the residence, screened from public view. No dog runs or kennels of any kind shall be allowed on any Lot, including similar areas for pot-bellied pigs.

15. No grass, weeds or other vegetation will be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees will be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, including grass clippings, and no vegetation on vacant Lots shall be allowed to reach a height in excess of that allowed by ordinance and regulations of the City of Omaha.

16. No residence shall be constructed on a Lot unless the entire Lot, as originally platted, is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat. The applicable zoning ordinances of the public agency having zoning authority shall determine minimum area of building plot and minimum front, side and rear setbacks.

17. Notwithstanding any provision in this Declaration, Declarant, its agents, successors and assigns, shall be allowed to operate and maintain model homes, sales office trailers and construction trailers within the subdivision. This right does not expire with the sale of the last buildable lot in the subdivision.

18. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding or shack shall be erected upon or used on any Lot at any time, either temporarily or permanently. No structure or dwelling shall be moved from outside the subdivision to any Lot without the written approval of Declarant.

19. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood.

20. All permanent utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

21. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations, and designs as it may determine appropriate in its sole and absolute discretion.

22. Nothing herein contained shall in any way be construed to impose any obligation, of any kind, upon the Developer and/or Declarant or any successor and assigns of the same, any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein.

**ARTICLE II**  
**HOMEOWNERS' ASSOCIATION**

1. **Definitions.**

(A) "Association" shall mean and refer to the Autumn Grove Homeowners Association, Inc., a Nebraska nonprofit corporation, its successors and assigns. The Association includes all lots being marketed in the "StoneBridge" neighborhood.

(B) "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot that is a part of the Properties, but excluding those having such interest merely as a security for the performance of an obligation or as an encumbrance upon the interest of the beneficial owner.

(C) "Properties" shall mean and refer to: Lots 1 through 199, inclusive, all in Autumn Grove, a Subdivision, as surveyed, platted and recorded in Douglas County, Nebraska.

(D) "Lot" shall mean and refer to any platted Lot shown upon any recorded subdivision map of the Properties, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Area, or as a church, school, park, or for other nonprofit use.

(E) "Declarant" shall mean and refer to all persons and entities signing this instrument, their successors and assigns.

(F) "Common Area" shall mean and refer to any land owned by the Association or controlled by an easement in favor of the Association or required as a contractual obligation of the Declarant or the Association, such as Common Area Improvements located within public rights-of-ways.

(G) "Common Area Improvements" shall mean and refer only to signs, landscaping, lighting, and sprinkler systems, which may be located from time to time on the Common Area, including those improvements within public rights-of-way.

Page 5 of 12

EXHIBIT A  
Page 5 of 12

6

(H) "Common Area Expenses" means expenditures made on an annual basis by or financial liabilities of the Association, together with any allocations to reserves.

2. General Information. The Association shall be required to maintain the Common Area and the Common Area Improvements in good condition and repair and shall exercise those powers, duties and responsibilities as more particularly set forth in this Declaration, the Articles of Incorporation and the By-Laws of the Association. The fiscal year of the Association shall be the calendar year. The Office of the Association shall be located at such location as the Board of Directors shall designate from time to time.

(a) Autumn Grove will be developed in phases consisting of separate residential lots (referred to as the "Lots"). Additional residential property may be annexed to the Properties by the Declarant or with the consent of two-thirds (2/3) of the votes entitled to be cast. All Lot Owners, by virtue of their ownership of a Lot, are automatically mandatory Members of the Association and shall be entitled to vote on all matters upon which Members of the Association are entitled to vote, pursuant to the Declaration and in accordance with the By-Laws. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

(b) The initial Board of Directors of the Association and all officers of the Association shall be appointed by the Declarant and thereafter be elected as provided for in the By-Laws.

3. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges as hereinafter provided, as such assessments to be established and collected as hereinafter provided. The annual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Any obligation of the Declarant to pay any assessments for any Lot owned by Declarant shall not become due until the date of closing of such Lot, at which time the Declarant shall pay all prior years' assessments and the current years' assessment shall be prorated between the parties.

4. Membership. The membership of the Association shall consist of all Owners of the designated Lots within Autumn Grove. Membership in the Association shall be mandatory and no Owner during his ownership of a Lot shall have the right to relinquish or terminate his membership in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

5. Succession. The membership of each owner shall terminate when they cease to be an Owner of a Lot, and their membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

6. Voting. The Association shall have two classes of voting members, Class A Members and Class B Members, defined as follows:

**Class A:** Class A Members shall be the Owners of all Lots other than Lots owned by Declarant or Lots that are subject to a mortgage or deed of trust in favor of Declarant. Each Class A Member shall be entitled to one vote for each Lot Owned. When there shall be more than one person or entity holding an interest in any Lot, all such persons or entities or both, shall be Members; provided however that the vote for such Lot shall be exercised as such persons or entities or both, shall determine, but in no event shall more than one vote be cast with respect to any one Lot.

**Class B:** Class B Members shall be the Owners of all Lots owned by Declarant or Lots that are subject to a mortgage or deed of trust in favor of Declarant. Each Class B Member shall be entitled to twenty votes for each Lot owned. Each Class B Member shall be entitled to one vote for each Lot owned upon the occurrence of the first of the following dates:

(a) The date on which the total votes outstanding in the Class A membership shall equal the total votes outstanding in the Class B membership, or

(b) January 1, 2010

Except for the Declarant, no Owner shall be eligible to vote, either in person or by proxy, if that Owner is shown in the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. As set forth in section 3, above, the Declarant, for each lot owned, shall not become obligated to pay any annual assessments for said Lot unless and until the closing of said Lot occurs, at which time Declarant shall pay its pro rata share of said assessments.

7. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray annual Common Area Expenses and administrative expenses of the Association.

8. Assessments.

(a) All Owners shall be obligated to pay the assessments imposed by the Board of Directors of the Association to meet the Common Area Expenses of the Association. The Common Area Expenses of the Association shall be equally assessed among all of the Lot Owners. Except for Lots owned by the Declarant, as provided in paragraph 3 of this article, annual Assessments for the estimated Common Area Expenses of the Association shall be due in advance of the first day of January of each year. The method of assessment described herein may not be amended without the written approval of the Declarant, so long as there is a Class B Membership or thereafter, the owners of two-thirds (2/3) of the votes entitled to be cast.

(b) Each Lot Owner's personal obligation of payment of assessments shall be due on the first day of the month in which the closing of the purchase of said Lot occurs.

(c) Assessments shall be based upon the cash requirements deemed to be such aggregate sum the Board of Directors of the Association shall from time to time determine is to be

paid by all of the Lot Owners to provide for the payment of all estimated expenses growing out of or connected with the acquisition, construction, maintenance, repair, operation, alterations and improvements of and to the Common Area and the Common Area Improvements and for the creation of a reasonable contingency and reserve for the same.

(d) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or release of the owner's personal obligation to pay the same.

(e) Within thirty (30) days after adoption of any proposed Budget for the Association, the Board of Directors shall provide a summary of the Budget to all the Lot Owners, and shall set a date for a meeting of the Lot Owners to consider ratification of the Budget that date shall not be less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all the votes entitled to be cast, or any larger vote specified in the Declaration, reject the Budget, the Budget is ratified, whether or not a quorum is present. In the event the proposed Budget is rejected, the periodic Budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors.

9. Association Lien for Non-Payment of Common Area Expenses

(a) Except for the Declarant as provided in paragraph 3 of this Article, all sums assessed by the Association but unpaid for the share of Common Area Expenses chargeable to any Lot shall constitute a lien on such Lot superior to all other liens and encumbrances, except only for tax and special assessment liens of the Lot in favor of any assessing entity, and all sums unpaid on any Mortgage filed of record prior to the filing of the Declaration, including all unpaid obligatory sums as may be provided by such encumbrances. In the event of default in the payment of the assessment, the owner shall be obligated to pay interest at the maximum rate of interest allowable by law, on the amount of the assessment from due date thereof, together with all expenses, including attorney's fees incurred together with such late charges as provided by the By-Laws of the Association. To evidence such lien, the Board of Directors shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest, late charges and expenses, including attorney's fees thereon, the name of the owner of the Lot and a description of the Lot. Such notice of lien shall be signed by one of the members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Douglas County, Nebraska. Such lien shall attach and be effective from the due date of the assessment until all sums with interest and other charges thereon, shall have been fully paid.

(b) Such lien may be enforced by the foreclosure on the defaulting owner's Lots by the Association in the manner of a deed of trust or mortgage on real property upon the recording of a notice to claim thereof or by an action at law against the Owner personally obligated to pay the same. In any such proceedings, the Owner shall be required to pay the costs, expenses and attorney's fees incurred, and in the event of foreclosure, all additional costs, all expenses and reasonable attorney's fees incurred. The Owner of the Lot being foreclosed or subject to litigation shall be required to pay the Association the monthly assessment for the Lot during the period of foreclosure or litigation, and the Association shall be entitled to a receiver during foreclosure. The Association



shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey and otherwise deal with the same.

(c) Any Mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Common Area Expenses payable with respect to such Lot, and upon such payment, such encumbrancer shall have a lien on such Lot for the amount paid of the same rank as the lien of this mortgage or encumbrance without the necessity of having to record a notice of claim of such lien. Upon request of a Mortgagee, the Association shall report to the Mortgagee of a Lot any unpaid assessments remaining unpaid for longer than thirty (30) days after the same is due; provided, however, that a Mortgagee shall have furnished to the Association notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien signed by one of the Members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Douglas, County, Nebraska.

(e) Notwithstanding any of the foregoing provisions, any Mortgagee who obtains a title to a Lot pursuant to the remedies set forth in its mortgage or deed of trust shall take title to the Lot free and clear of all annual assessments levied thereon prior to such transfer of title and free and clear of all liens created as a result of such assessments.

10. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 12, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. Sixty and no/100 (\$60.00) per Lot.

B. In each calendar year beginning on January 1, 2002, one hundred twenty-five percent (125%) of the aggregate dues charged in the previous calendar year.

11. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Area or Common Area Improvement, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in an amount to Two Hundred and NO/100ths Dollars (\$200.00) per Lot.

12. Excess Dues and Assessments. With the approval of seventy-five (75%) percent of the votes entitled to be cast by the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

**ARTICLE III.  
EASEMENTS**

1. A perpetual license and easement are hereby reserved in favor of and granted to Omaha Public Power District, US West Communications, and any company which has been granted a franchise to provide a cable television system in the area subdivided, Metropolitan Utilities District, and Sanitary and Improvement District No. 431 of Douglas County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground sewers, water and gas mains and cables, lines or conduits and other electric and telephone utility facilities for the carrying and transmission of electric current for light, heat and power and for all telephone and telegraph and message service and for the transmission of signals and sounds of all kinds including signals provided by a cable television system and the reception on, over, through, under and across a five (5) foot wide strip of land abutting the front and the side boundary lines of the Lots; and eight (8) foot wide strip of land abutting the rear boundary lines of all interior Lots and all exterior lots that are adjacent to presently platted and recorded Lots; and a sixteen (16) foot wide strip of land abutting the rear boundary lines of all exterior Lots that are not adjacent to presently platted and recorded Lots. The term exterior Lots is herein defined as those Lots forming the outer perimeter of the Lots. The sixteen (16) foot wide easement will be reduced to an eight (8) foot wide strip, when such adjacent land is surveyed, platted and recorded. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easement ways but same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

2. A perpetual easement is further reserved for the Metropolitan Utilities District, their successors and assigns to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes, hydrants and other related facilities and to extend therein pipes for the transmission of gas and water on, through, under and across a five (5) foot wide strip of land abutting all cul-de-sac streets; this license being granted for the use and benefit of all present and future owners of these Lots; provided, however, that such licenses and easements are granted upon the specific conditions that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of date hereof, or if any such facilities are constructed but are thereafter removed without replacement within sixty (60) days after their removal, then such easement shall automatically terminate and become void as to such unused or abandoned easement ways. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easement ways but same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

3. U.S. West Communications, Inc. and/or any other telecommunications company may, upon completion of its distribution system, require a connection charge on some or all of the Lots at the time service is requested.

4. Other easements are provided for in the final plat of Autumn Grove which is filed in the Register of Deeds of Douglas County, Nebraska and other easements provided for in further platting(s).

**ARTICLE IV.  
GENERAL PROVISIONS**

1. Except for the authority and powers specifically granted to the Declarant, the Declarant or any owner of a Lot named herein shall have the right to enforce by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this declaration to either prevent or restrain any violation or to recover damages or other dues of such violation. Nothing herein contained shall in any way be construed to impose any obligation, of any kind, upon the Developer and/or Declarant or any successor and assigns of the same, any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein. Failure by the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

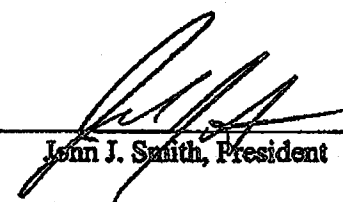
2. The covenants and restrictions of this declaration shall run with and bind the land for a period of forty (40) years from the date hereof, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by Declarant, or any person, firm corporation, partnership, or entity designated in writing by Declarant, in any manner which it may determine in its full and absolute discretion for a period of ten (10) years from the date hereof. Thereafter this Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots covered by this Declaration.

3. Invalidation of any covenant by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused these present to be executed this 18th day of MARCH 1999.

DECLARANT:

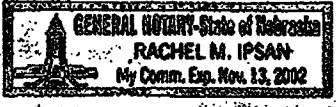
HEARTHSTONE HOMES, INC., a  
Nebraska corporation,

By:   
John J. Smith, President

STATE OF NEBRASKA )  
 )ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 18 day of March 1999 by John J. Smith, President of HearthStone Homes, Inc., a Nebraska corporation, known to me to be the identical person who executed the above instrument and acknowledged the same to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and Notarial Seal this 18 day of March 1999.



*Rachel M. Ipsan*  
Notary Public